

WHAT IS CLAIMED IS:

1. A method for distributing property in an insolvency proceeding, comprising:

5 establishing a financial arrangement between a responsible party and a debtor, the financial arrangement including terms for paying claims against the debtor;

offering, by the responsible party, to pay a creditor having a claim against the debtor a predetermined payment amount in satisfaction of the entire claim against the debtor; and

10 if the creditor accepts the offer, paying the predetermined payment amount to the creditor.

2. The method of claim 1 wherein the payment of the predetermined payment amount is completed within a predetermined  
15 time period.

3. The method of claim 2 wherein the predetermined time period is one of a month, a week and a day.

20 4. The method of claim 1 comprising:

if the creditor does not accept the offer, paying the creditor in accordance with a payment plan established by a third party overseeing the insolvency proceeding.

25 5. The method of claim 4 wherein the third party includes one of a state bankruptcy court and a federal bankruptcy court.

6. The method of claim 1, comprising:

30 providing, after paying all claims against the debtor, any remaining proceeds of all assets of the debtor involved in the insolvency proceeding to the insuring or other financially responsible party.

7. The method of claim 1, wherein the responsible party includes a financial institution.
- 5 8. The method of claim 1, wherein the creditor includes a plurality of creditors of the debtor.
9. The method of claim 1, wherein the predetermined payment amount differs from an amount paid in the payment plan
- 10 established by the third party.
10. The method of claim 1, wherein the insolvency proceeding includes a bankruptcy proceeding.
- 15 11. The method of claim 1, comprising:  
establishing a distribution plan;  
identifying subject property of the debtor; and  
wherein the insurance policy terms include paying claims against the debtor by the insuring party as a function of an
- 20 analysis of the subject property by the insuring party.
12. The method of claim 1, wherein the insurance policy obligates the insuring party to pay all claims against the debtor.
- 25 13. The method of claim 1, wherein the financial arrangement includes an insurance policy.
14. The method of claim 13, wherein the responsible party
- 30 includes an insurer.

15. The method of claim 14, wherein the insurer includes one of an insurance company or a reinsurance company.

16. A system for distributing an insolvent debtor's property to a plurality of creditors in an insolvency proceeding, wherein a responsible party host server and a plurality of clients for each of the plurality of creditors are coupled to a data communications network, the responsible party host server including:

10 computer programmable means for communicating with the plurality of creditors, the responsible party and the debtor;

computer programmable means for establishing a financial arrangement between the responsible party and the debtor;

15 computer programmable means for maintaining a database containing information regarding the debtor and each of the plurality of creditors;

computer programmable means for calculating an amount of final payment offered to each of the plurality of creditors;

20 computer programmable means for providing an offer of the amount to each of the plurality of creditors;

computer programmable means for processing one of an acceptance and a rejection of by each of the plurality of creditors of the offer; and

25 computer programmable means for processing claim payments to each of the plurality of creditors that accepts the offer.

17. The system of claim 16, wherein the financial arrangement includes an insurance policy.

30 18. The system of claim 17, wherein the responsible party includes an insurance company.

19. The system of claim 16, wherein the insolvency proceeding includes a bankruptcy proceeding.

20. The system of claim 16, wherein the payment of the offered  
5 amount is completed within a predetermined time period.

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